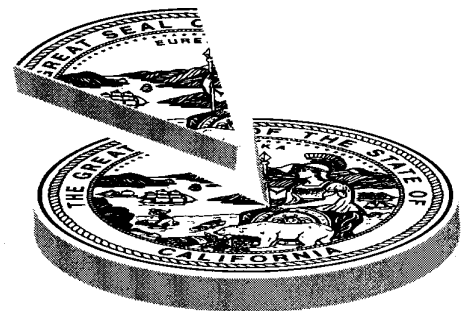




# Highlights of the 2002-03 Governor's Budget



**January 2002**

This document provides a summary of significant budget and program changes proposed for the California Department of Social Services in Fiscal Year 2002-03. A more complete presentation of these proposals may be found in the Governor's Budget Summary 2002-03 and in the Governor's Budget 2002-03.

The California Department of Social Services is responsible for the direct operation or supervision of a wide variety of social services and income assistance programs. The Department accomplishes its mission through staff located in offices throughout the state, the 58 county welfare departments and a host of community based organizations. The programs of this Department are typically managed and funded through a broad based partnership of federal, state, and county governments. For 2002-03, the Department will be involved in the delivery of over 20 billion in government services and benefits to over three million Californians.

The Department administers four major program areas: welfare programs, social services, community care licensing, and disability evaluation. The goals of the Department are to:

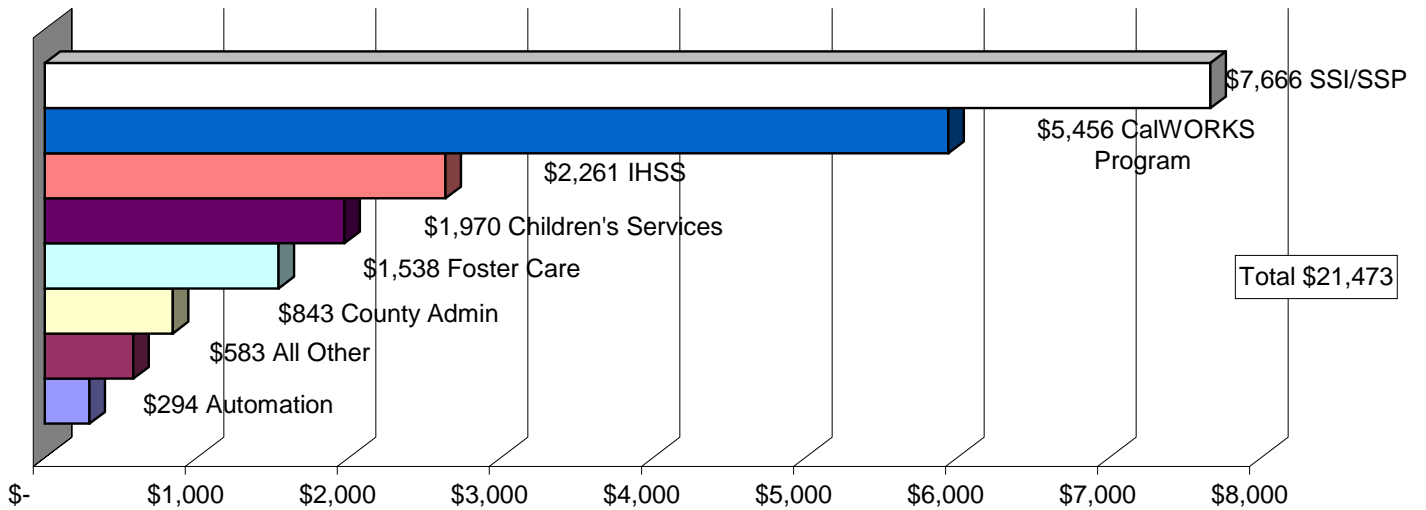
- Provide temporary assistance including cash and services to families with needy children to encourage attainment of family self-sufficiency by moving from welfare to permanent work.
- Provide social services to elderly, blind, disabled and other adults and children; protect them from abuse, neglect, and exploitation; and help families stay together.
- Regulate group homes, nurseries, preschools, foster homes, and day care facilities and assure that they meet established standards for health and safety.
- Evaluate the eligibility of applicants for federal and state programs to aid the aged and disabled in an efficient and equitable manner.

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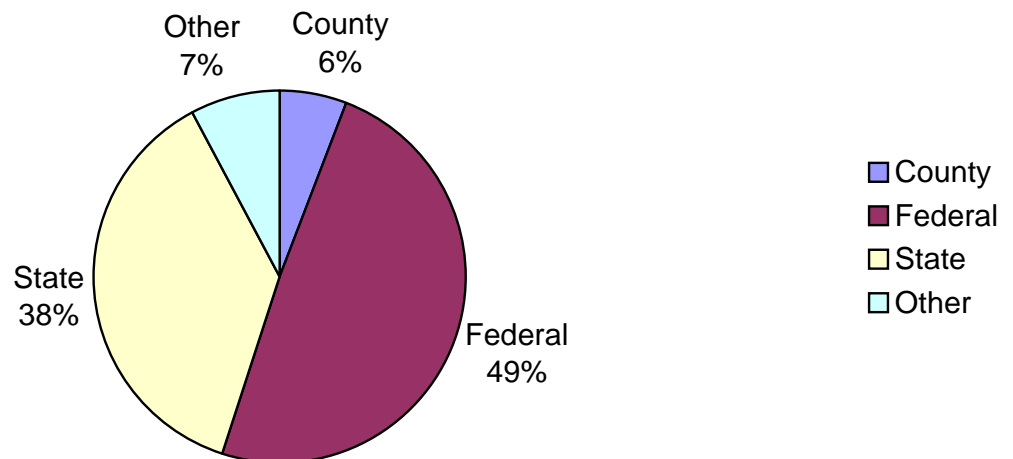
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# EXPENDITURES OVERVIEW 2002-03

Expenditures by Program (Dollars in Millions)



Expenditures by Fund Source (Dollars in Millions)



## Major Program Premised Caseloads Changes

(Average Monthly)					
PROGRAM	ACTUAL CASELOAD 2000-01	ESTIMATED CASELOAD 2001-02	ESTIMATED CASELOAD 2002-03	2001-02 TO 2002-03 CHANGE	
				Number	Percent
CalWORKs/TANF	529,150	520,307	532,451	12,144	2.3%
SSI/SSP - TOTAL	1,082,098	1,103,423	1,126,385	22,962	2.1%
SSI/SSP - Aged	333,593	336,668	340,991	4,323	1.3%
SSI/SSP - Disabled	726,690	744,959	763,552	18,593	2.5%
Foster Care	77,887	75,455	70,827	-4,628	-6.1%
IHSS	248,697	266,878	283,580	16,702	6.3%

## **SUMMARY**

### **CalWORKs**

The Budget includes funding for the California Work Opportunity and Responsibility to Kids (CalWORKs) Program which was implemented on January 1, 1998 pursuant to Chapter 270, Statutes of 1997 (AB 1542). CalWORKs is California's version of the federal Temporary Assistance for Needy Families (TANF) Program.

CDSS estimates the caseload for CalWORKs will increase from 520,307 cases in 2001-02 to 532,451 in 2002-03, an increase of 2.3 percent. The 2002-03 caseload includes 97,902 cases in the CalWORKs Safety net. A total of \$3.392 billion is included for Assistance Payments. This represents an increase of \$124.2 million over 2001-02.

The Budget provides \$786.4 million to fund the CalWORKs basic services. The current year appropriation of \$20 million for county Performance Incentives was redirected for basic program costs, while \$430.8 million in Performance Incentives is provided for 2002-03.

The budget for CalWORKs Child Care includes \$472.4 million for Stage I Child Care. The total amount for funding for Stage II Child Care is \$645.2 million, of which \$351.7 million is transferred from the CDSS budget to the California Department of Education (CDE). The remainder is funded in the CDE budget. In addition, there is \$164.7 million held in reserve to be used either in Stage I and/or Stage III Child Care, depending on the need.

### **CHILDREN'S SERVICES**

The 2002-03 Budget contains critical funding to strengthen Child Welfare Services, Adoptions and Child Abuse Prevention. Funding for the Kin-GAP program in 2002-03 totals \$99.3 million, offset by \$72.2 million in savings in CalWORKs assistance payments, foster care, child welfare services, and related administrative costs.

### **SSI/SSP - ADULTS - IHSS**

The Budget proposes \$4.617 billion in federal funds, \$3.049 billion in General Fund is budgeted for SSI/SSP in 2002-03 which includes funding for a 2.1 percent increase in caseload. CDSS estimates there will be 1,126,386 average monthly SSI/SSP cases during 2002-03. In addition, \$113.4 million is included for the CAPI program, an increase of \$5.7 million over 2001-02.

The Governor's Budget includes \$78.9 million for the Adult Protective Services (APS).

The 2002-03 budget for IHSS includes \$146 million in total funds for the minimum wage increases on January 1, 2002.

### **AUTOMATION PROJECTS**

The 2002-03 budget includes a total of \$293.8 million for consultant services, technical support and software, continuing maintenance and operation, implementation costs and the replacement of outdated mainframe equipment for the Statewide Automation Projects. These funds include \$224.4 million for the Statewide Automated welfare System (SAWS) \$11.4 million for the Statewide Fingerprint Imaging System (SFIS), and \$58.3 million for the electronic Benefit Transfer (EBT) program.

## **California Work Opportunity and Responsibility to Kids Program - CalWORKs**

### **Program Description**

The CalWORKs Program is California's largest cash assistance program for children and families, providing financial help to families to meet basic needs (shelter, food and clothing) when they are unable to meet those needs on their own. The CalWORKs program replaced the Aid to Families with Dependent Children (AFDC) Program and represents a new welfare system based upon principles that place high value on recipients obtaining work and provides maximum county flexibility in the delivery of services and administration. Eligible families must include a child under age 18 who lacks parental care and support due to absence, death, incapacity or the unemployment of one or both parents. Assistance is specifically time limited and most recipients are required to work a minimum number of hours per week. The necessary supportive services, including child care, are provided to ensure employment is possible.

### **Major Changes for 2002-03:**

#### **CalWORKs Assistance**

- Total funding for CalWORKs assistance payments amounts to \$3.392 billion in 2002-3 (\$124.2 million more than the 2001-02 Appropriation).
- Average monthly final caseload grows from 520,307 cases in 2001-02 to 532,451 in 2002-03, a drop of 2.3 percent. The 2002-03 caseload includes 97,902 in the CalWORKs Safety net.
- Net savings associated with the 97,902 average monthly cases that reach their 60-month CalWORKs time limit, starting in January 2003, amounts to \$95.0 million.
- Funding has not been included for 3.89 percent cost-of-living adjustment (cola) to the maximum aid payment (MAP).

#### **CalWORKs Services**

- CalWORKs Basic costs are budgeted at \$786.4 million (\$45.4 million less than the 2001-02 Appropriation).
- Net savings associated with cases reaching the 60-month CalWORKs time limit amounts to \$98.1 million. This includes the cost for 12 months of job retention services for the 59 percent of the cases with working adults.
- Substance abuse services and mental health services are maintained at a combined total of \$109.3 million (the same as the 2001-02 Appropriation).
- The current appropriation of \$20 million for County Performance Incentives was redirected for basic program costs. County Performance Incentives are budgeted at \$430.8 million for 2002-03.
- The 2002-03 budget reflects \$38.4 million in savings from the overlap with the Welfare-to-Work monies. This is down from the savings of \$98.6 million in the 2001-02 Appropriation.
- The 2002-03 budget assumes the receipt of \$20 million in High Performance bonus funding that is passed on to the Department of Health Services.

#### **CalWORKs Administration**

- Funding for CalWORKs Administration is \$488.7 million in 2002-03 (\$17.6 million more than the 2001-02 Appropriation).
- In 2002-03, the General Fund of \$5.1 million for fraud incentives is eliminated, but the TANF funding of \$5.1 million is continued.

## **CalWORKs Child Care**

- In the current year, funding for Stage One child care is \$472.4 million (down \$102.6 million from the 2001-02 Appropriation). This decrease is due to more cases transferring to Stage Two as well as savings associated with the CalWORKs 60-month time limit and the reforms to the child care system.
- Net savings associated with cases reaching the CalWORKs 60-month time limit amounts to \$29.7 million. This includes \$42.7 million in costs associated with providing child care to the 59 percent of the cases with working adults.
- The savings in 2002-03 for the child care funding reforms in Stage One amounts to \$50 million.
- The amount budgeted for Stage Two in 2002-03 is \$645.2 million, which reflects savings of \$23.0 million associated with the CalWORKs 60-month time limit, and \$132.8 million associated with child care funding reforms. The amount budgeted includes the transfer of \$351.7 million in TANF from this Department to CDE, with the remainder funded in the CDE budget.
- The Child Care Reserve of \$164.7 million in 2002-03 includes a five percent hold back of the estimated need for both Stage One and Stage Two, as well as \$100 million over the estimated need.

## **CYSA - County Probation Facilities**

- The 2002-03 budget continues funding of \$201.4 million for county probation facilities, but this funding is now considered part of the CalWORKs County Program Grant.

## **Children's Services**

### **Program Description**

Children's Services includes funding for Child Welfare Services, Adoptions, and the Child Abuse Prevention Program. Child Welfare Services provides emergency, in-home care and out-of-home care services for abused and neglected children and their families. The Department of Social Services meets these objectives by providing a continuum of care with Emergency Response, Family Maintenance, Family Reunification and Permanent Placement Service components.

### **Major Changes for 2002-03:**

- Total funding for Children's Services amounts to \$1.970 billion in 2002-03 (\$3.5 million more than the 2001-02 Appropriation).
- Workload relief funding of \$120.8 million (\$74.3 million GF) is continued in 2002-03, as is the base funding adjustment, amounting to \$159.4 million (\$62.3 million General Fund).
- Total funding for the Adoptions Program is \$81.9 million in 2002-03, a decrease of \$7.5 million from the 2001-02 Appropriation. (\$7.3 million in federal incentive funding is used in place of \$7.3 million General Fund in the base program.)

### **Kin-GAP Program**

- Funding for Kin-GAP in 2002-03 totals \$99.3 million, off set by \$72.2 million in savings in CalWORKs assistance payments, foster care, child welfare services, and related administrative costs.
- Kin-GAP caseload increases from an average monthly figure of 10,595 in 2001-02 to 15,309 in 2002-03.

## **Foster Care Program**

### **Program Description**

The Foster Care Program provides support payments for children in out-of-home care. This program is administered by the counties in accordance with regulations, standards and procedures set by the Department as authorized by law. Costs for this program are adjusted for Child Support Enforcement Program collections and incentives.

### **Major Changes for 2002-03:**

- Total funding for foster care payments amounts to \$1.538 billion in 2002-03 (\$12 million more than the 2001-02 Appropriation).
- Average monthly caseload declines from 74,455 in 2001-02 to 70,827 in 2002-03, a decrease of 6.1 percent. This decrease is primarily the result of an additional 4,714 average monthly cases moving from foster care to Kin-GAP.
- Funding of \$33.5 million is included in 2002-03 for the full year operation of the supported Transitional Emancipation Program (\$27 million more than the 2001-02 Appropriation).
- No funding is provided for a 3.89 percent CNI cola in 2002-03.

## **California Food Assistance Program (CFAP)**

### **Program Description**

The California Food Assistance Program (CFAP) was established in response to the major non-citizen eligibility cuts made to the Food stamp Program as part of the federal welfare reform of 1996.

- The 2002-03 budget assumes the federal food stamp program will be expanded effective July 2002 to restore federal food stamp eligibility to the CFAP population. (The 2001-02 Appropriation provided \$72.5 million for both food stamps and administrative costs for CFAP).

## **County Administration**

- Funding is provided for caseload changes in Food Stamp administration and Foster Care administration, but no cost of doing business adjustments are provided for those programs in 2002-03.
- Funding for financial audits of foster care facilities is reduced to \$125,000, sufficient to fund triennial audits for those facilities with 12 or fewer beds that also receives less than \$300,000 in federal payments.
- The 2002-03 budget includes \$70.7 million in total funding for the Food Stamp Employment Training Program, but does not include any General Fund (total funding is \$1.8 million more than the 2001-02 Appropriation).

## **Supplemental Security Income/State Supplementary Payment Program - SSI/SSP**

### **Program Description**

The Supplemental Security Income/State Supplementary Payment (SSI/SSP) Program provides cash grant assistance to aged, blind or disabled persons who meet the program's income and resource requirements. The SSI/SSP Program is administered by the federal Social Security Administration which determines eligibility, computes grants and disburses the combined monthly payment to recipients. California supplements the federal SSI payment with an SSP payment. Chapter 329, Statutes of 1998, established the state-only Cash Assistance Program for Immigrants (CAPI) to provide cash benefits to documented persons who are not eligible for federal SSI/SSP benefits. Chapter 147, Statutes of 1999 (AB 1111) removed the sunset date for CAPI and continues CAPI for as long as SSI/SSP is authorized by the federal government. State funds are also used to meet special nonrecurring needs to maintain individuals in their own homes.

### **Major Changes for 2002-03:**

- In addition to \$4.617 billion in federal funds, \$3.049 billion in General Fund is budgeted for SSI/SSP in 2002-03 (\$207.2 million more than the 2001-02 Appropriation).
- Average monthly caseload grows from 1,103,423 in 2001-02 to 1,126,386 in 2002-03, an increase of 2.1 percent.
- A 1.8 percent CPI Cost of Living Adjustment (cola) for SSI payments is passed on to the recipients, but no funding is included for the January 1, 2003 CNI cola.
- Funding of \$113.4 million is included for the CAPI program, an increase of \$5.7 million over the 2001-02 Appropriation.
- Average monthly caseload for the CAPI program in 2002-03 is 13,086 an increase of 9.5 percent.

## **In-Home Supportive Services - IHSS**

### **Program Description**

The In-Home Supportive Services (IHSS) Program provides specified supportive services to enable eligible persons to remain in their own homes as an alternative to out-of-home care. Eligible persons are aged, blind or disabled recipients of public assistance and similar persons with low incomes. Services include: domestic services and other related services such as meal preparation, laundry, shopping and errands; personal care services; assistance while traveling to medical appointments or to other sources of supportive services; protective supervision; teaching and demonstration directed at reducing the need for supportive services; and certain paramedical services ordered by a physician.

### **Major Changes for 2002-03:**

- Total funding for IHSS services and administration amounts to \$2.636 billion in 2002-03 (\$234.8 million more than the 2001-02 Appropriation).
- Average monthly caseload grows from 266,878 in 2001-02 to 283,580 in 2002-03, an increase of 6.3 percent.
- The 2002-3 budget includes \$146 million in total funds for the minimum wage increase to \$6.75 on January 1, 2002.

- The 2002-03 budget also includes \$326.9 million total funds for public authority wage increases above the minimum wage and for benefits.
- The budget assumes that the public authority rate receiving state participation will not grow by an additional \$1.00 in 2002-03.

### **Special Programs**

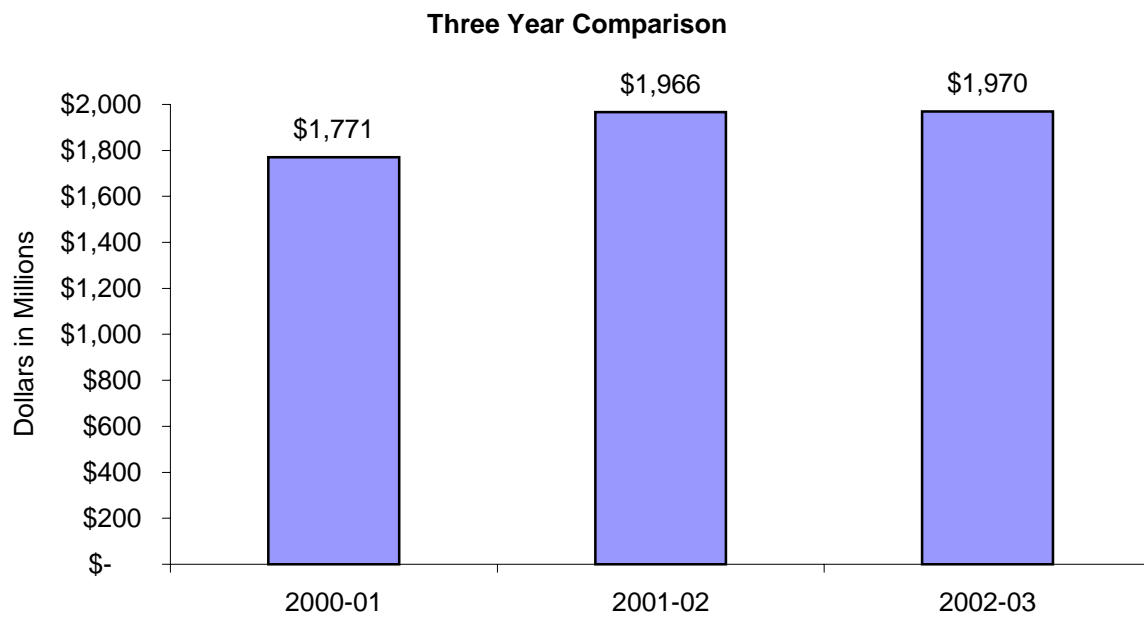
- Funding for Special Circumstances was reduced by \$500,000 in 2002-03, to \$4.5 million.
- The 2002-03 budget includes \$78.9 million for Adult Protective Services beyond the amount available in the County Services Block Grant. This provides funding for increased costs per case in 2002-03, but maintains caseloads at 2001-02 levels.

### **Disability Evaluation Program**

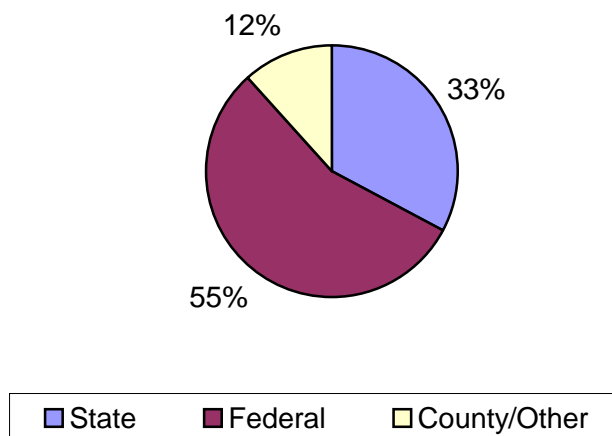
#### **Program Description**

The Disability Evaluation Program exists to determine the medical, vocational, and functional eligibility of California residents applying for disability benefits under Title II of the Social Security Act (Disability Insurance), Title XVI (Supplemental Security Income), and Title XIX (Medicaid). The definition of disability and the rules and regulations regarding adjudication of disability cases are provided by the Social Security Administration. Analytical staff and medical consultants in the CDSS Disability and Adult Programs Division determine the severity of the applicant's physical and/or mental impairments and their overall ability to engage in substantial gainful employment.

## Children's Services

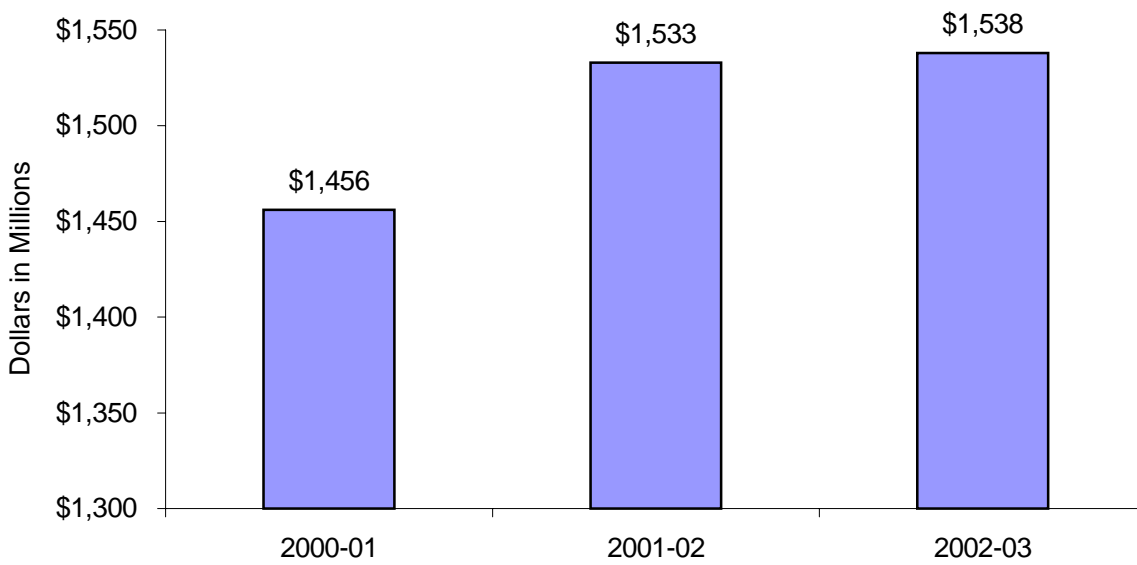


## FUND SOURCES 2002-03

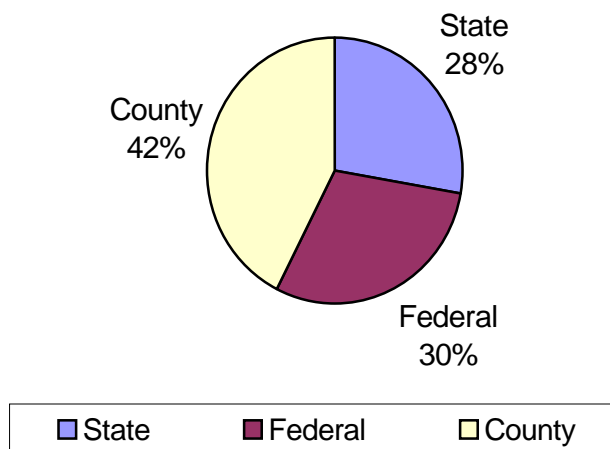


## Foster Care

Three Year Comparison

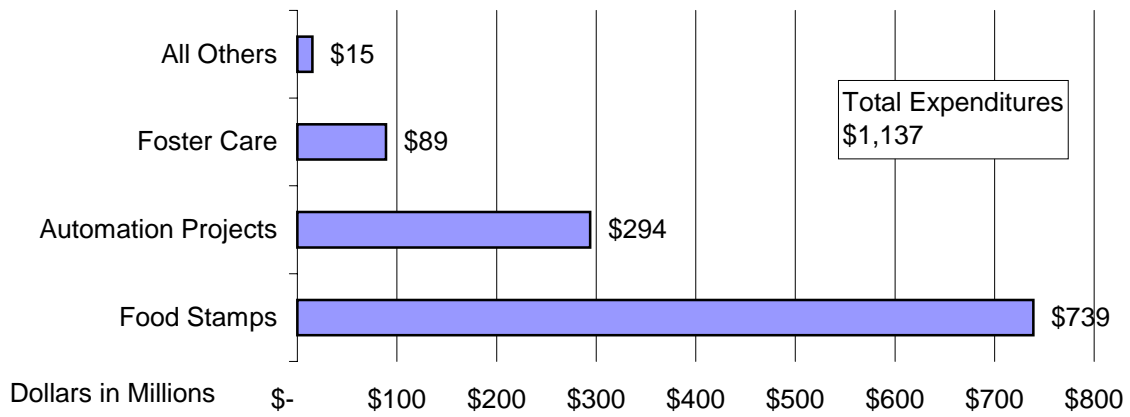


FUND SOURCES 2002-03

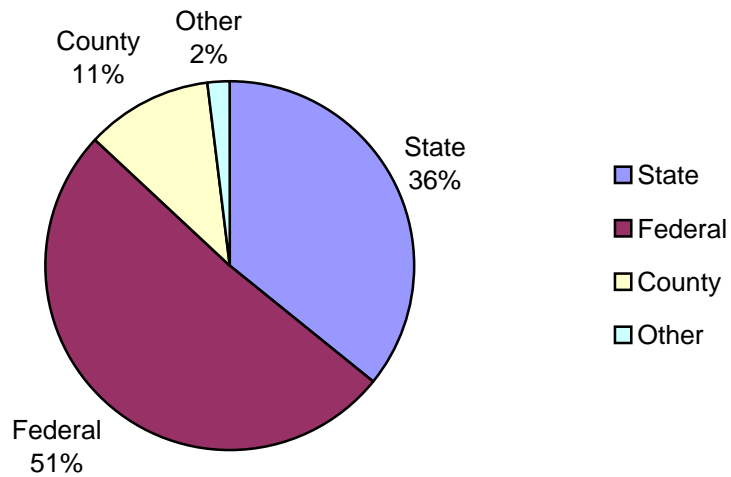


# COUNTY ADMINISTRATION

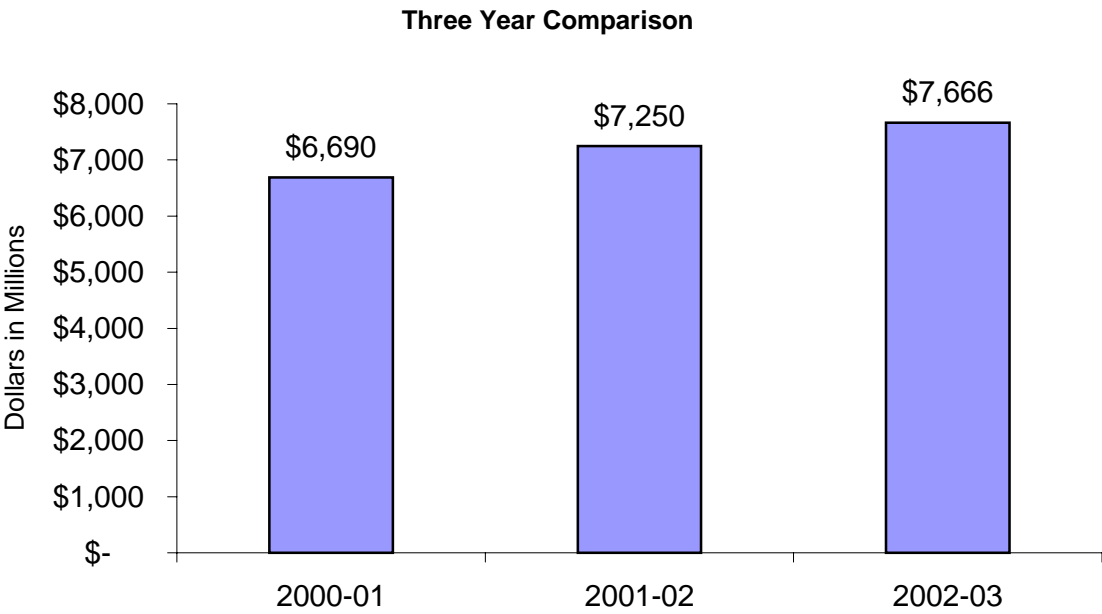
Expenditure by Program Dollars in Millions



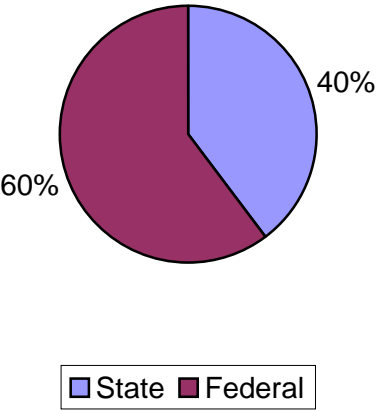
## FUND SOURCES 2002-03 (Dollars in Millions)



# Supplemental Security Income/State Supplementary Payment

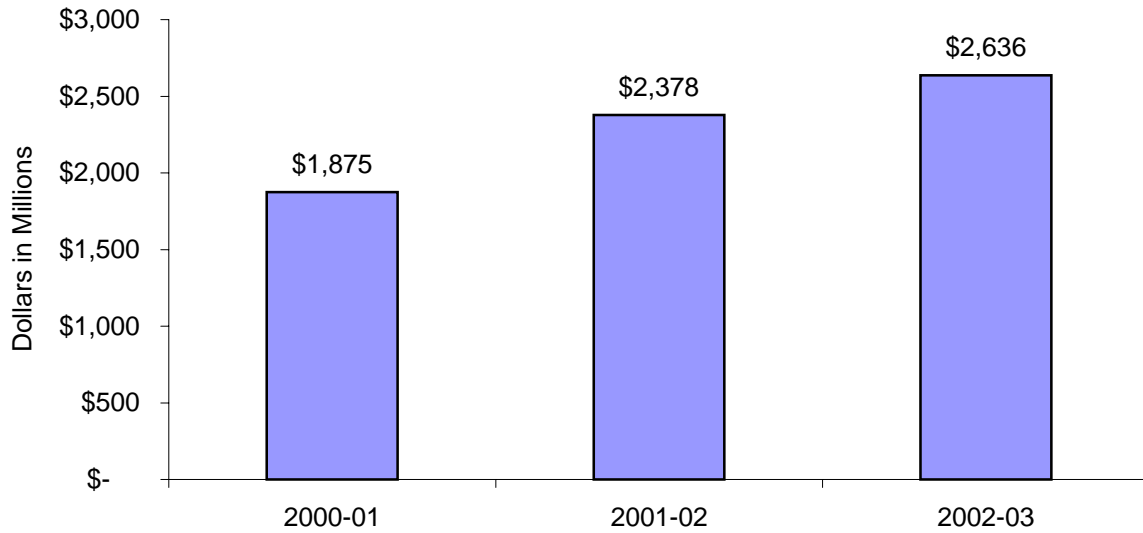


**FUND SOURCES 2002-03**

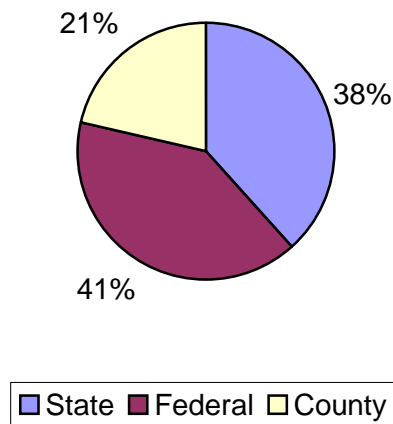


# In-Home Supportive Services

Three Year Comparison



FUND SOURCES 2002-03



# State Operations 2002-03

